



Calhoun: The NPS Institutional Archive
DSpace Repository

Faculty and Researchers

Faculty and Researchers' Publications

Strategic management in the federal government: necessary and sufficient elements

Roberts, Nancy C.; Menker, Janice M.

N.C. Roberts, J.M. Menker, "Strategic management in the federal government: necessary and sufficient elements," Public administration and public policy, (2000). pp. 561-593.
<http://hdl.handle.net/10945/52633>

This publication is a work of the U.S. Government as defined in Title 17, United States Code, Section 101. Copyright protection is not available for this work in the United States.

Downloaded from NPS Archive: Calhoun



Calhoun is the Naval Postgraduate School's public access digital repository for research materials and institutional publications created by the NPS community. Calhoun is named for Professor of Mathematics Guy K. Calhoun, NPS's first appointed -- and published -- scholarly author.

Dudley Knox Library / Naval Postgraduate School
411 Dyer Road / 1 University Circle
Monterey, California USA 93943

<http://www.nps.edu/library>

25

Strategic Management in the Federal Government

Necessary and Sufficient Elements

Nancy C. Roberts

Naval Postgraduate School, Monterey, California

Janice M. Menker

MITRE Corporation, McLean, Virginia

I. INTRODUCTION

Strategic management is the setting and implementation of an organization's direction, and the monitoring, evaluation, and adjustments in that direction as the organization engages its environment and interacts with its stakeholders. Having evolved from private sector practice, the principles of strategic management are now being applied to the public sector in the hope that managers and employees will use them to reinvent, redesign, and reengineer government operations. President Clinton's National Performance Review (1993) and the Congress's Government Performance Results Act (1993) are two recent attempts to introduce the logic and discipline of strategic management to the federal government. Although it is still too soon to judge the ultimate effect of these efforts, we will speculate on their future as we examine current governmentwide initiatives.

We begin our review of strategic management in the federal government with an examination of its private sector roots. Since the exemplars of federal strategic management are drawn from business and industry, we need to understand strategic management's conceptual and intellectual foundation in order to judge its current applications in the public sector. To that end we identify models of business strategic management that represent the two poles on a continuum of approaches that have been and can be employed. The first is the *directive approach*, which takes a top-down view of strategic management. The second is the *adaptive approach*, which invites more organizationwide participation in the process of direction setting, implementation, and evaluation. These two approaches provide a comparative frame to examine what is currently under way at the federal level, and they help us identify the necessary and sufficient elements to make strategic management successful. Most significantly, they enable us to ask a important question: Do the necessary and sufficient elements of strategic management exist to enable the successful transfer of strategic management principles into public practice?

Our answer to this question is not encouraging for those who champion the recent initiatives. Although the National Performance Review and the Government Performance Results Act offer much promise for management practice, they have not solved some of the fundamental dilemmas of strategic management in the federal government (Roberts 1993; Nutt and Backoff 1992). Key issues remain: the paradox of management control in a shared power system of governance established to check its control and powers; the transfer of private sector, organization-based theories of strategic management to poorly coordinated and fragmented network structures in the government system; simultaneous maintenance of accountability through a strict chain of command from elected representatives to organizational executives and managers, and adaptation to change, which necessitates individual and agency flexibility, experimentation, and innovation; responsiveness to the unique needs of customers; and the protection of equity and fairness for all citizens.

Our analysis is that neither the Government Performance Results Act nor the National Performance Review satisfactorily addresses these paradoxes. Assuming our constitutional framework remains the same, and the federal government, no matter how much outsourcing, privatizing, and downsizing it experiences, retains some governance functions, we see only one alternative remaining—the development of new approaches to fit the unique context of the public sector. Rather than mold a governance structure to fit business-derived models, we believe it is more appropriate to develop strategic management approaches that are congruent with how we govern. We conclude by summarizing the basic features of these approaches and invite practitioners and theoreticians to explore their implications for public management.

II. THE ROOTS OF STRATEGIC MANAGEMENT IN BUSINESS

The term “strategic management,” introduced by Ansoff, Declerck, and Hayes (1976), came of age with the seminal book of Schendel and Hofer (1979). Strategic management defines an organization’s attempt to set a direction and to implement and evaluate it in light of its external environment and its internal capacity. According to Gluck, Kaufman, and Walleck (1982), strategic management has evolved through four sequential phases:

- Phase 1: Basic financial planning when managers seek better operational control through meeting of annual budgets and comparison of performance to budgetary targets
- Phase 2: Forecast-based planning when managers seek more effective planning for growth by trying to predict the future beyond next year
- Phase 3: Externally oriented planning (strategic planning) when managers seek increased responsiveness to markets and competition by trying to think strategically
- Phase 4: Strategic management when managers seek to develop a competitive advantage and create a successful future by managing all the organization’s resources

Phase 4 thus focuses on the issues of implementation. During this phase, managers adjust the organization’s structure, work processes, human resources, and subsystems such as information management, in order to make them compatible with the established direction. When the process is linked with phase 3’s emphasis on strategic planning and phase 1’s reliance on results and evaluation, a full-blown model of strategic management

emerges. General Electric, one of the pioneers of strategic planning in phase 3, led the transition to phase 4 during the 1980s. By the 1990s, most large corporations around the world had followed, in the conversion from strategic planning to strategic management (Wheelen and Hunger 1995).

Within this broad definition of strategic management, practitioners have devised numerous approaches, depending on the nature of their business, their size, their complexity, and the level of change experienced in the external environment (Toft 1989). For simplicity, we group these approaches into two general categories that represent the end points of a continuum (Roberts 2000). Evidence to support the existence of this continuum comes from an analysis of organizational configurations (Doty et al. 1993). At one end of the continuum in Table 1 we find the directive approach to strategic management, characterized as rational-analytic, sequential, and comprehensive (Andrews 1971; Steiner 1979; Miles et al. 1978; Lorange 1980). At the other end of the continuum is the adaptive approach to strategic management, described as insightful, innovative, and emergent (Campbell and Alexander 1997; Mintzberg 1994; Miles et al. 1978).

A. The Directive Approach to Strategic Management

The directive approach is a very structured, rational-analytic, and comprehensive approach to strategic management. First, top-level executives assess the environment and specify the goals the organization will pursue in light of the threats and the opportunities it faces. With the assistance of staff, they then identify optional strategies to address these goals. The costs and benefits of each strategy are assessed and a strategy is chosen to optimize on the goals being pursued. Implementation follows and its progress is monitored through specifically designed management controls. The success of the implementation process depends on a good "fit" or congruence between the strategy set by top-level managers and the organization's internal capacity to execute the strategy. In other words, the organization's design elements (its human resource policies, structure and technology, etc.) have to be aligned properly with its new strategy. Strategy evaluation ultimately determines the extent to which the strategy has been successful, and therefore is continued, or unsuccessful, and therefore is modified or terminated. Upon making that determination, top-level management then repeats the cycle of strategy formulation, implementation, evaluation, and making adjustments in light of changes in the environment or its internal capabilities.

Table 1 Continuum of Strategic Management Approaches in Business

	Directive approach	Adaptive approach
1. Decision-making	Rational-analytic	Insightful, intuitive, rational-analytic
2. Process	Sequential stages	Spontaneous-entrepreneurial
3. Direction-setting	Goals set by top management	Top management offers vision
4. Strategies	Derived from goals; hierarchically and comprehensively linked throughout organization	Emerges from anywhere
5. Implementation	Separated from formulation and evaluation	Supportive of entrepreneurship; intertwined with formulation and evaluation

This rational-analytic process ensures a comprehensive, or synoptic, linkage between the direction set at the top and its execution throughout the organization. Corporate-level strategies typically state the company's overall view toward growth, its position on various businesses and product lines in order to balance a portfolio of products and services, its decisions on the type and number of businesses it will be in, its determination on how its financial and other resources will be distributed among its divisions, and its intentions in dealing with key groups in its environment.

In multidivisional firms, strategy formulation at the corporate level is followed by strategy formulation at the business-unit and functional levels. Business-unit strategies or competitive strategies focus on how to compete in a particular product or market or industry segment. And the business strategy is expected to be in keeping with the strategy set by those above at corporate headquarters. Within the parameters established by corporate and business units, the functional departments develop their own strategies in R & D, marketing, production, etc., to realize the strategies of higher authority. Thus, reliant on a hierarchy of strategies set from the more general instructions at the corporate apex to the more specific at the divisional and functional levels, the organization integrates its activities in a comprehensive way to prevent deviation from its established direction. Ideally, all organizational members are moving toward the same ends by coordinating their mutually supportive strategic efforts.

B. Adaptive Approach to Strategic Management

The adaptive approach is a much more open-ended and flexible approach to strategic management. It begins with the assumption that insight and intuition, in addition to rational analysis, are very important aspects of the process. Making decisions based on assumptions about the industry, the market, and the competition is an inexact science at best, especially when there is a great deal of change and uncertainty in the environment. Top-level executives ultimately have to fall back on their insights and intuitive powers to shape the organization's direction. Under these conditions, decision making becomes more akin to an act of faith than a strictly formalized rational-analytic process. It therefore makes more sense to set a direction that is fairly open and broad. Rather than formulating a specific goal that closes off opportunities and commits the organization to a particular course of action that may be problematic when unforeseen conditions arise, executives instead craft a general vision of the future, which enables them to keep their options open and take advantage of opportunities as they arise, a particularly important feature in a highly volatile environment.

Operational-level members, given their up-to-date knowledge of customers, markets, and competition, are also involved in the direction setting process. Using upper management's vision as guide for their day-to-day activities, they search for creative and innovative ways to support the vision. Their "grass-roots" suggestions for new products and services, when developed and approved by upper management, become new strategies for the future. Even their ideas that fail to generate support can be "banked" in the hopes that changes in the environment will make them more attractive in the future. Thus, strategies in the adaptive approach are emergent and sometimes unintended. They can and do surface spontaneously anywhere in the organization, not just from the strategies apex. Most importantly, they rely on the creative talents of all members of the organization, who, through their entrepreneurship and innovation, provide the details on how the organization will fulfill its vision.

Given the insightful, innovative, and emergent character of strategies in the adaptive approach, the phases of strategic management are not as neatly defined and separated. Vision provides direction instead of specific goals, and strategies emerge through interactions among organizational members and key players in the environment. Direction setting and evaluation often occur simultaneously as entrepreneurs surface new ideas and test them, first to gain the necessary resources and support from internal champions, then to gain external support from customers and other key stakeholders. Implementation relies on establishing an organizational infrastructure to support entrepreneurship and innovation. Rewards are important to induce risk taking and experimentation. Training and development are emphasized to give people the knowledge, skills, and competencies to be innovators. Measures and controls are geared to support risk taking, not to discourage it. Coordination formally relies on liaisons, committees, and task forces, and informally on the norms of cooperation and mutual adjustment. Channels of communication are kept open to ensure a free flow of information throughout the organization. Authority for making decisions is rooted in situational expertise, not in the formal structure.

C. Necessary and Sufficient Elements of Strategic Management

Whether the approach to strategic management is directive, adaptive, or some variant in between, there are certain necessary and sufficient elements that must be in place for its practice. These elements do not guarantee successful organizational performance, but without them, the ability to manage strategically is severely constrained. The necessary elements are summarized in Table 2. The first is *organizational identity*. Identity distinguishes the sector(s) in which the organization is a part (e.g., profit or nonprofit). Formally expressed in its mandate and values, it also describes the function of the organization, maps its legal boundaries, and answers questions such as why the organization exists and what role it has in society. The importance of identity is evident in the example of AT&T. As a consequence of its 1982 antitrust agreement with the Justice Department, AT&T changed from a regulated provider of local and long-distance telephone service and equipment to an unregulated, high-technology provider of long-distance voice and data communication services and equipment.

Table 2 Necessary and Sufficient Elements for Strategic Management Practice

Necessary elements

- Mandate establishes organizational identity, boundaries, and values
- Technology sets up work processes (e.g., routine-nonroutine, small batch-large batch/continuous)
- Tasks specify work activities for personnel within work processes
- Structure integrates tasks (by function, by geography, by product, by market, by project)
- Subsystems link the components
 - Financial and capital management allocates resources and maintains assets
 - Human resource management attends to the needs of personnel
 - Information management collects, analyzes, and communicates data
- Performance measures provide the capability to assess results

Sufficient elements

- Dominant coalition leads the agency
- Consensus emerges on agency's direction
- Adjustments based on prior performance made to agency (direction, design factors)

Within the organizational boundary, strategic management is premised on the existence of a *technology* that establishes how work will be accomplished, or the flow of work. Technology has been characterized as either routine or nonroutine (Perrow 1967) or ranging from small-batch technologies that produce one or a few units, to large-batch technologies that mass produce a large number of identical units, to continuous process technologies (Woodward 1965). Technology also been examined in terms of the specific work processes that are linked to generate a product or service. Recent interest in how an organization's technology is designed has led reformers to develop the principles of "reengineering" (Hammer and Champy 1993). On the basis of its principles, businesses are to identify the fundamental processes of the organization from a cross-functional perspective, organize around the outcomes of those processes, eliminate steps that do not add value, and use computer information technology to expedite the work flow.

Within the technology or work flow of the organization, individuals are assigned tasks or jobs. Some tasks offer very little guidance to personnel and others provide very detailed instructions and performance expectations. Jobs can be designed and shaped to match the requirements of the technology and the capabilities of personnel who fill them (Hackman and Oldham 1980). The way tasks are grouped (by function, by geographic area, by market, by product, by project) determines the organization's *structure*. Structures range from very centralized to very decentralized (Wheelen and Hunger 1995:226-245). And different structural arrangements require very different types of coordination once people have been grouped together on the basis of the tasks they do (Galbraith 1973; Mintzberg 1996b).

Measurement of *results* ensures accountability and provides direct feedback on how well the organization is doing. The process begins with an agreement on which indicators should be used to chart performance. Common measures enable the organization to compare its current performance with past performance, noting areas of improvement and weakness. Standardized measures across all organizations also give each organization and its stakeholders the capability of matching performance records (Wheelen and Hunger 1995:280-307). Comparative data inject an element of competition as organizations seek to outperform one another.

Various *subsystems* knit the organization's design components together. They include financial and capital management, human resource management, and information management. *Financial management* is the management of money and the determination of the appropriate level of resources, the allocation of resources according to priorities, and the spending of money accountably through processes such as procurement, accounting, cash management, and reporting. It includes both budget allocation and budget execution as well as capital management, the planning, maintenance, and disposal of long-lived resources and the regular maintenance of assets. *Human resource management* involves the recruitment, training, development, promotion, rewarding, and termination of employees. *Information management* is the development, maintenance, and use of a system to collect, analyze, and communicate data. It responds to both the information demands of particular programs and the information requirements of other subsystems.

These necessary elements provide the infrastructure of strategic management. Whether employing the directive or adaptive approach, strategic management requires these components as a starting point. The sufficient elements of strategic management, on the other hand, speak to the art of direction setting. Somebody needs to decide what the organization should do and ensure that others in the organization follow the established course of action. Thus, the organization first requires a *dominant coalition* made up of key

organizational actors who are powerful enough to enforce their views on others in the event there is disagreement (Thompson 1967; Pfeffer 1981). Whether tightly linked among those at the strategic apex, as in the case of the directive approach, or loosely configured with members throughout the organization, as in the case of the adaptive approach, the dominant coalition works to reach a *consensus on direction*. The direction can be well specified in terms of goals—the directive approach—or broadly framed in terms of a vision—the adaptive approach. Whichever approach is utilized, however, developing a consensus is essential. Without it, organizational activities become random and disconnected, producing what some have referred to as a “garbage can” decisional process (Cohen et al. 1972). When this occurs, the organization remains locked into old routines, faithfully executing previous activities, that, in the worst case, are no longer in keeping with changing realities (Cohen et al. 1972).

When a direction has been established, if results are disappointing, the dominant coalition is charged with making *adjustments*, either in the direction pursued or in its implementation. Congruence is a central aspect of making these adjustments (Nadler and Tushman 1988). Congruence is defined as “fit” or alignment among all the components of the organization and between the organization and its environment. For example, all the organizational design elements (e.g., technology, tasks, structure, subsystems) are expected to be compatible with one another. It does no good to centralize decision making and controls and yet have a reward subsystem that reinforces initiative and decision making at lower levels. Nor does it make sense to set a direction that is a poor fit with the design elements, making it difficult to implement decisions once a direction has been established. And most importantly, a poor fit between the organization and its environment can doom the organization to obsolescence or extinction.

When organizational results do not meet expectations, the dominant coalition is often replaced with a new one. Charged with renewal and transformation, the new coalition begins anew to seek congruence as it cycles through the processes of direction setting, implementation, and evaluation.

D. Necessary and Sufficient Elements in the Federal Government

A brief review of some of the major laws, executive orders, and proposals pertaining to federal government management (Mosher 1976; Stillman 1982; Rosenbloom 1995) reveals that all of the necessary and sufficient elements of strategic management have been addressed at some time or another (Table 3). Agency identity, established by the Constitution and the Declaration of Independence, has been updated as new agencies have been created (e.g., Health, Education and Welfare in 1953). Concerns over organizational technology or work flow have received a great deal of attention through the reengineering efforts sponsored by the National Performance Review. The structure of work has been the subject of many task forces and reorganization plans over the years. Subsystems, such as financial management, have received constant scrutiny. Human resource management has long been of interest, beginning with the Pendleton Act. Information management has generated growing concern as the computer revolution has opened up the potential for greater efficiency in operations. The measurement of performance has been a central theme in both the National Performance Review and the Government Performance Results Act, as have the issues of direction setting.

Despite the attention to the necessary and sufficient elements, some of it relatively recent, the implementation of many of these elements has been incomplete. Since the im-

Table 3 Laws, Executive Orders, and Reports Establish Necessary and Sufficient Elements for Strategic Management in the Federal Government^a

Necessary elements

Mandates establish identities and boundaries

Constitution lays out governance structure based on separation of power, 1789

Federal administrative agencies created, 1789

Bureau of the Budget created, 1912

Office of the Comptroller General and General Accounting Office set up, 1921

Division of the Executive Office of the President set up, 1939

National Security Council, Central Intelligence Agency established, 1949

Health, Education, and Welfare created, 1953

Technology establishes work processes (e.g., routine-nonroutine)

National Performance Review challenges federal government to reinvent and reengineer its work processes, 1993

Tasks specify work activities of personnel within work processes (tasks often implied in mandates)

Executive Order No. 8248 assigns functions and duties within the divisions of the Executive Office of the President, 1939

Administrative Procedure Act sets up rule-making procedures, 1946

Structure integrates tasks (by function, by geography, by product, by market, by project)

Brownlow Report recommends restructuring of executive branch, 1937

National Security Act reorganizes Department of Defense, 1947, 1949

First Hoover Commission Reorganization (Price Report), 1964

Bureau of Budget Circular A-95 coordinates federal assistance programs, 1969

Reorganization Plan No. 2 creates Domestic Council to coordinate policy, formulation, 1972

Subsystems link the components

Financial and capital management allocate resources and maintain assets

Taft Commission on Economy and Efficiency establishes the need for a national budget, 1912

Budget and Accounting Act, 1921

Brownlow Committee reports on fiscal management, 1937

Government Corporation Control Act seeks to provide more controls over federal corporations, 1945

First Hoover Commission recommends changes in fiscal management, 1949

Budget and Accounting Procedures Act authorizes the president to determine the form of the federal budget, 1950

Bureau of Budget Bulletin No. 66-3 implements planning-programming-budgeting, 1965

OMB Bulletin No. 77-9 instructs on zero-based budgeting, 1977

Executive Order 12369 (Grace Commission) examines private sector methods of cost control and ways to reduce costs, 1982

Packard Commission Report reforms the Defense Department's acquisition system, 1986

Chief Financial Officer's Act establishes financial accountability and responsibility with chief financial officers, 1993

Federal Acquisition Streamlining Act, 1994

Federal Acquisition Reform Act emphasizes the use of commercial products and practices, 1996

Human resource management attends to the needs of personnel

Civil Service (Pendleton) Act creates the Civil Service Commission and prescribes methods for appointments to the civil service, 1883

Classification Act establishes compensation schedules, etc., 1923

Brownlow Committee suggests changes in personnel management, 1937

Table 3 *Continued*

Second Hoover Commission Report defines Senior Civil Service, 1955
Executive Order 11246 specifies nondiscrimination in employment, 1965
Ink Report seeks to reform the Civil Service, 1977
Civil Service Reform Act creates a merit system, Office of Personnel Management, and Senior Executive Service, 1978
Information management collects, analyzes, and communicates data
Brooks Act establishes regulations for purchasing of automated data processing (ADP) equipment and creates Federal Information Management Regulations, 1964
Freedom of Information Act establishes a policy of providing information to the public, 1974
Paperwork Reduction Act, 1995
Information Technology Management Reform Act requires agencies to appoint a chief information officer, 1996
Performance measures provide the capability to assess results
National Performance Review focus on results-driven government, 1993
Government Performance Results Act requires performance measures, 1993

Sufficient elements

Dominant coalition leads the organization

Consensus emerges on organization's direction

Government Performance Results Act views goal setting as a collaborative process, 1993

Changes based on prior performance made to organization (direction, design factors)

^a This list is intended to be illustrative, not comprehensive.

plications differ, depending on the approach to strategic management being employed, each approach is examined separately.

E. Directive Approach

With the exception of the National Performance Review, most of the recommendations and changes emanating from the necessary and sufficient elements listed in Table 3 support and reinforce the directive approach to strategic management. The executive branch, for example, is to be centralized in order to enhance the president's role as the manager of government agencies and to promote greater rationality in organization and operations (e.g., Brownlow and First Hoover Commission). A strict hierarchical authority structure from president to agency heads, agency heads to agency managers, agency managers to agency employees, is necessary to maintain order and keep people accountable. Rules and regulations enable centralized service agencies to control work activities and to provide additional means of ensuring accountability (e.g., Budgeting and Accounting Act, Chief Financial Officer's Act, Brooks Act). Comprehensive, top-down, rational-analytic planning systems are essential in linking all organizational units in order to coordinate their efforts toward common ends (e.g., PPBS). A strict division of labor, with formalized, standardized, and specialized jobs, is necessary to guarantee efficiency of operations and to ensure a competent work force independent of political influence (e.g., Civil Service Act, Civil Service Reform Act).

A review of the efforts to address the necessary and sufficient elements, however, describes the very sad state of the directive approach within and across federal agencies. For example, federal information technology projects over the past decade have had serious problems. According to Gene Dodaro, assistant comptroller general, the picture is "bleak": "Multimillion dollar and, in some cases, billion dollar system development efforts routinely came in over cost, behind schedules, and lacking in promised capabilities. In addition to wasting resources, these disappointed efforts seriously weakened agencies' abilities to meet mission goals and improve operational efficiency" (Dodaro 1997:1). Despite the expenditure of over \$200 billion over the 12 years prior to 1995, "reviews of major system modernization efforts across the government . . . have shown that many federal agencies are still automating existing ways of doing business" without analyzing and redesigning current business process (Dodaro 1995).

Financial management is another troubled subsystem of strategic management. According to Charles Bowsher, comptroller general of the United States, "seriously inadequate financial management systems are currently the greatest barrier to timely and meaningful financial reporting" (1995a: 18). Most agencies are "not capable of readily producing annual financial statements and are not in compliance with current systems standards" (p. 19). Consequently, "agency managers do not have reliable, timely financial data throughout the year to help manage effectively" (p. 19). Unfortunately that assessment had not changed as of 1997 (Hinchman 1997). Human resource management fares no better: "The complexity of the system and the variety of redress mechanisms it affords federal employees make it inefficient, expensive, and time-consuming," according to Timothy Bowling (1996), associate director of the General Government Division of the General Accounting Office (GAO).

Agency structures are another weakness. Many have accumulated responsibilities without regard to their coordination and integration. As of October 1994, for example, the federal government funded over 90 early childhood programs in 11 federal agencies and 20 offices. The Department of Health and Human Services ran 28 of these, and the Department of Education ran 34. Thirteen programs targeted economically disadvantaged children from birth through age 5, meaning that a disadvantaged child potentially could have been eligible for as many as 13 federal programs. The federal food safety system, evolving from 35 laws administered by 12 different agencies, does not protect the public from major airborne illnesses. Its basic structure lacks coherence because it was created and continues to operate in a piecemeal fashion in response to specific health threats from particular food products. Efforts to deal with food safety issues are thus encumbered by "inconsistent oversight and enforcement authorities, inefficient resource use, ineffective coordination efforts, and inflexible and outdated inspection practices" (Bowsher 1995b).

Two conditions essential for the use of the directive approach are particularly troublesome and they are dealt with in depth: the measurement of results and the development of a dominant coalition and a consensus on organizational direction. The analysis focuses on the Government Performance Results Act (1993), which addresses both of these conditions in depth.

1. Results

Defining results and measuring them have been difficult tasks for federal managers. No common indicators of performance comparable to their private sector counterparts, such as profits, sales, or return on investments, exist. Each agency or program has to develop its own indicators, a time-consuming and difficult process. Rather than face these challenges,

the norm in the past has been to rely on input measures and process measures, such as budget expenditures, activity levels, and staffing numbers. These indicators are poor substitutes for outcome measures, however. They gauge how agencies are executing their missions rather than what they are really accomplishing and achieving.

The Government Performance Results Act (GPRA), enacted in August 1993, tackles the problem of measurement head-on. As Walter Groszyk (1995) of the Office of Management and Budget (OMB) noted, "What GPRA seeks to create is the government's counterpart to the business 'bottom line'" (p. 4). All 14 cabinet departments, virtually all agencies, and all government corporations were challenged to define their measures of performance in terms of results, not in terms of processes, and to explain how they would use that information to make improvements through annual performance plans. An initial Annual Performance Plan was to be submitted to OMB in September 1997 in support of the fiscal year 1999 budget. The performance plans were to cover each program activity in the agency's budget, with specific performance indicators that focus on program outputs and outcomes. Beginning no later than March 31, 2000, and filed by March 31 of each succeeding year, annual program performance reports would set forth the performance indicators, goals, and actual performance for at least the preceding 3 years. The performance reports are to review successful performance, identify unsuccessful performance, describe any remedial action that may be required, and recommend appropriate changes to performance goals in subsequent fiscal years.

Experts in performance measurement acknowledge how difficult it is to develop meaningful measures of results, especially in government, and offer a range of suggestions on how to deal with these difficulties (Joyce 1993; Boschken 1994; Kravchuk and Schack 1996). With these difficulties in mind and in order to give agencies some practice in developing their measures of performance and preparing for a results-driven federal government, GPRA began a phased implementation approach to build experience and provide lessons. It required a minimum of 10 pilot projects to provide a broad and diverse experience with the tenets of the law. The pilots were to be designated and orchestrated by OMB and scheduled during fiscal years 1994 through 1996. A total of 77 pilots, including 9 agency-level pilots such as the Defense Logistics Agency and the Internal Revenue Service, and program-level pilots such as the Department of Veteran Affairs Loan Guaranty Program, eventually participated at some point during this period. When the first sets of pilots concluded at the end of fiscal year 1996, a total of 68 representing 28 agencies remained as participants (U.S. GAO 1997, GAO/GGD-97-109).

The Results Act also required OMB to select a second set of pilot projects during fiscal years 1995 through 1996. They were to determine the effects of providing managers of federal programs with increased managerial flexibility in exchange for greater accountability. A third set of pilot projects, scheduled for fiscal years 1998 and 1999, would test performance budgeting—i.e., the presentation of the varying levels of performance that would result from different budget levels.

Case studies of the pilots (National Academy of Public Administration 1994; Stevens 1996) reveal a number of difficulties managers encountered when attempting to devise performance indicators and measure results. Many agencies were still measuring activities and continued to struggle with devising outcome measures. In 1994, for example, the Occupational Safety and Health Administration (OSHA) was counting activities such as the numbers of safety and health standards promulgated, federal and state inspections conducted, criminal prosecutions referred, training grants supported, and consultation visits conducted (U.S. GAO 1997, GAO/GGD-97-109). OMB found that in about 20% of the per-

formance plans it reviewed, the measures were not precise enough to be used in management and budgeting (Finch 1995). As an example, although the Public Housing Management Assessment program in Housing and Urban Development (HUD) has a system that collects data, it does not collect data on housing quality or quality of maintenance, which, according to GAO, are essential for assessing results and determining which housing authorities are performing well or poorly (U.S. GAO 1997, GAO/GGD-97-109:34). GAO's survey of federal managers suggests that this was not an isolated occurrence in federal agencies (U.S. GAO 1997, GAO/GGD-97-109). Federal managers reported that overall, results-oriented performance information was often not available, and when available, frequently was not used to make important agency and program decisions. Although 76% of federal managers government wide reported that their programs, project, or operations had performance measures, these measures were not results-oriented (U.S. GAO 1997, GAO/GGD-97-109).

Experience in measurement revealed a number of other technical and analytic challenges. Different parties use different definitions to measure performance across levels of government, such as in the case of child support enforcement, despite the fact that effectiveness depends on coordination among federal, state, and local jurisdictions (U.S. GAO 1997, GAO/GGD-97-109:51). In other instances, key performance measures are computed differently in different agencies, making it difficult to compare the relative effectiveness of individual programs in "crosscutting programs" (U.S. GAO 1997, GAO/GGD-97-109:51). Reliance on outside parties (e.g., states) that administer federal programs makes it difficult to obtain accurate data. For example, the Department of Education faced difficulty in obtaining accurate data from adult education programs in the states because of double counting or undercounting of students in adult education programs. Thus, even when data are collected, their reliability and validity are often questionable (U.S. GAO 1997, GAO/GGD-97-109:50).

Agency results can also be influenced by external forces beyond their control, such as broad national economic trends and assistance from state and local governments and the private sector. "Isolating the federal contribution to the achievement of an intended result has been exceedingly difficult and accordingly has hindered agency efforts to identify meaningful performance measures" (U.S. GAO 1997, GAO/GGD-97-109:48). Regulatory agencies especially have difficulty in sorting out the interaction that external factors have on their results and accordingly have had problems in identifying meaningful performance measures. For example, OSHA data are sometimes influenced by catastrophic events, such as bombings or airplane crashes, factors over which OSHA has no control. To achieve their results some agencies also need long time frames, which make annual performance measure difficult. It may take years to see the results of the programs' activities. Latency periods between the exposure to a hazardous substance, such as asbestos, and a resulting illness could be 20 years. Research and development programs also have had particular difficulties in identifying the impacts of their research and have had to use a number of proxy measures, none of which is readily adaptable for the purposes of the Results Act (U.S. GAO 1997, GAO/GGD-97-109:50).

Thus, as GAO reports, the pilot phase "underscores how far organizations still have to progress in the development and use of results-oriented performance information" (U.S. GAO 1997, GAO/GGD-97-109:37). "The challenges confronting agencies as they seek to develop useful results-oriented performance information are substantial, long-standing, and will not be quickly or easily resolved" (U.S. GAO 1997, GAO/GGD-97-109:56).

2. Dominant Coalition and Consensus

Added to the technical problems of defining and measuring results in the federal government is the difficulty in linking them to the organization's overall direction. Direction setting depends on the extent to which a dominant coalition exists and has achieved a con-

sensus on the direction the agency or program should pursue. To the extent that a consensus exists, agency planning can proceed and is less problematic. To the extent that a coalition has not yet emerged, nor a consensus been reached, direction setting becomes a political process reliant on negotiation and conflict management. To paraphrase David Rosenbloom, we cannot assume that measurement will be a substitute for political choice (1995).

Again, the Results Act to help us illustrate the challenges of direction setting in the federal government. The act required agencies to submit their strategic plans to the director of OMB and to Congress by September 30, 1997. The strategic plans were to include a comprehensive mission statement, a description of general goals and objectives and the operational processes required to meet these goals, a description of performance outcomes directly related to goals, and a description of program evaluations to assist goal revisions as appropriate. The initial plan was to cover a period of not less than 5 years, computed forward from the fiscal year when it was submitted and updated at least once every 3 years. The agency also was required to consult Congress in formulating the strategic plan and consider the other affected stakeholders (i.e. the customers). In fact, agencies were to document disagreements pertaining to agency goals to ensure there was an opportunity for stakeholders to have a voice in the decision-making process.

It is through consultations with key stakeholders, most notably those in Congress and those on the oversight committees, that the act addresses the political challenge of direction setting, although there is no mention of what constitutes a consultation, when it should occur, and with whom (Stevens 1997). As noted by GAO, "The requirement for consultations is . . . perhaps the Results Act's most significant challenge, because consultations will likely raise contentious policy issues that are inherent in the political process" (U.S. GAO 1997, GAO/GGD-97-109:43). It acknowledges that since direction setting requires making hard choices, "there may be disagreement between the agency and key stakeholders about particular goals or the means by which the goals will be achieved" (U.S. GAO 1997, GAO/GGD-97-109:44).

Evidence of contention already exists, especially as agencies attempt to balance multiple priorities within individual agencies. For example, disagreements have surfaced within the Forest Service and among key external stakeholders, including Congress, on how it is to make choices among competing uses of its lands (e.g., promoting timber sales versus promoting wildlife). According to GAO, these conflicts "seriously undermined its ability to establish goals and performance measures needed to ensure its accountability" (U.S. GAO 1997, GAO/GGD-97-109:42). Other instances have been noted. A congressional staff member reported that "major disagreements existed between the political parties as to the basic direction of an agency under his committee's jurisdiction" (Stevens 1997:6). "When subcommittee staff met with this agency's officials, the discussion quickly became quite confrontational, and the session only served to reinforce tensions rather than resolve them" (Stevens 1997:6). These difficulties perhaps explain why those managers with experience with the Results Act report greater difficulties in reconciling competing views. For example, "58% of managers in selected Results Act pilots reported that reconciling differing congressional views has been or will be somewhat to very difficult, compared to 46% of managers in all other federal agencies. Similarly, 59% of managers in selected Results Act pilots reported that reconciling the views of other parties has been or will be somewhat to very difficult, compared to 48 percent of federal managers of all other agencies" (U.S. GAO 1997, GAO/GGD-97-109:42). These differences are statistically significant.

The potential for conflict may, in fact, account for the few consultations that have occurred up to this point. Most committee staff and agency officials, particularly committee staff, have stressed the very limited nature of the meetings thus far, characterizing them as briefings, preconsultations, or preliminary consultations. There also have been differing

views on the level of detail during the consultations. It was the general impression of some agency officials that the consultations were only to concern agency mission and strategic goals. Most committee staff, on the other hand, believed that agencies also should be prepared to provide information on programmatic issues and measures (Stevens 1997:10).

Despite some progress, there have been difficulties in developing the capacity for the planning process itself. The learning curve has been steep as a result of a number of factors. First of all, developing and sustaining top-level agency commitment has been difficult. There is a high turnover rate among political appointees; the medium tenure in large agencies is about 2 years (Finch 1995). And some positions are vacant longer that they are filled. Committed and effective leadership, required to implement the Results Act, has been missing in many cases. Although a GAO survey found that about 57% of managers said their agency leadership demonstrated a strong commitment to achieving results to a great or very great extent, only about 16% said managers above their levels made program changes based on results-oriented performance information to a great or very great extent. So although the commitment to results may be there, its practice has been lacking (U.S. GAO 1997, GAO/GGD-97-109).

The rewards, a significant element for any successful adaptation, have been missing as well. Less than half of federal managers reported positive recognition for achieving results (U.S. GAO 1997, GAO/GGD-97-109). Training personnel is also a factor. The Office of Personnel Management estimated in 1993 that there were more than 300,000 managers in the federal system who would need to be trained in GPRA. Yet agencies have not developed or implemented an agencywide training strategy that identifies who needs to be trained, on what, how, and when. To compound the problem, increases in training budgets are not likely during this period of retrenchment (Finch 1995).

Overlapping and fragmented program efforts also make direction setting difficult. They "prevent the logical need to coordinate efforts to ensure that goals are consistent and, as appropriate, that programs are mutually reinforcing" (U.S. GAO 1997, GAO/GGD-97-109:1). In response to national needs and problems, Congress and the executive branch have given responsibility for addressing national issues to many different agencies. For example, "of the 18 national missions or areas of national need described as budget fractions, 14 were addressed by more than 1 executive branch department or major agency in fiscal year 1996, such as health, international affairs, and justice. Six of the national missions, including education, income security, and commerce and housing credit were addressed by six or more executive branch departments and major agencies" (U.S. GAO 1997, GAO/GGD-97-109:38-39). The "crosscutting" problem becomes even more acute when examined at the program level. In the Catalog of Federal Domestic Assistance, there are 342 economic development-related programs administered by 13 agencies. It is difficult to coordinate so many programs, each with its own individual funding streams, application requirements, and reporting expectations. It is even more difficult for the "citizen-clients" to take advantage of the services when so many agencies are involved. For example, the Department of Education programs provide student loans and grants to help finance higher education. Yet another 22 smaller programs are targeted to specific segments of the same population, such as students from disadvantaged families or women and minorities. During its review of major portions of agencies' strategic plans in the summer of 1996, however, OMB found little sign of significant coordination among agencies (U.S. GAO 1997, GAO/GGD-97-109:40).

These findings and the challenge of balancing multiple priorities within individual agencies prompted GAO to conclude:

Although the Results Act provides a potentially effective vehicle for addressing these issues, their existence also makes the prospects for the effective governmentwide im-

plementation of the Act uncertain in the near term. Efforts under the Results Act can help identify the extent and consequences of the overlap and fragmentation, but addressing such problems will likely be a lengthy process, because Congress and the executive branch will have to consider policy trade-offs to reach a reasonable degree of consensus on the appropriate federal response to national needs. Similarly, balancing multiple priorities will need to be an ongoing process, because priorities change as new needs arise. (U.S. GAO 1997, GAO/GGD-97-109:45)

Unfortunately, making trade-offs is not what politicians are prone to do; nor are they particularly interested in establishing specific goals. As Donald Savoie emphasizes, government's "objectives are unclear because politicians prefer it that way" (quoted in Behn 1996:18). "Clarifying objectives is managerially sound but politically irrational," comments Bob Behn (1996:18). Clarification requires politicians to choose from among competing constituencies and values. "From experience, elected officials have learned that they can win more praise, support, and votes by being fuzzy about what results it [*sic*] will produce by when than by being clear" (Behn 1996:18). Discussions about specific targets for specific programs for specific agencies for specific years causes problems. It

reintroduces political disagreements that have been carefully minimized by incorporating the vague (rather than precise) purposes into the authorizing legislation. A legislative preamble that outlines general, multiple, and perhaps even contradictory purposes can make a lot of people happy. The purposes set forth in legislation are not multiple and general because no legislator had a clear idea of what goal he or she wanted to achieve; rather, the preamble contains multiple, general purposes because, although many legislators could identify one or more specific goals to be achieved, they could not agree on a few common ones. (Behn 1996:18)

That point is reflected in the comments of one OMB official, who noted that "a strategic plan that achieved complete agreement among all interested parties was likely to be at such a high level of generality that its usefulness as a decision making tool would be fairly limited" (U.S. GAO 1997, GAO/GGD-97-109:44).

F. The Adaptive Approach

The introduction of the adaptive approach to the federal government is a recent phenomenon, at least on a governmentwide basis. Although some agencies such as the National Aeronautics and Space (NASA) have had a longer history with this approach (Webb 1969; Levine 1982; Roberts 2000), Vice President Gore's announcement of the National Performance Review (NPR) in 1993 alerted other agencies and the nation to its possibilities. Since we believe the NPR captures the essence of the adaptive approach, our analysis centers on it. We begin with a brief summary of the NPR's basic principles drawn from a series of reports, recommendations, legislative proposals, and executive orders.¹ We then address the larger question of interest: To what extent do its basic principles address the necessary and sufficient conditions for strategic management practice in the federal government?

1. Basic Principles of the National Performance Review

The bedrock principle of NPR is performance-based government. Complementing the GPRA, the NPR seeks to substitute outcome measures that focus on results for process measures that focus on activities. Both reform packages shine the spotlight on agency performance. In contrast to GPRA, however, the NPR defines results in customer terms. Cus-

customer needs and satisfaction become the determinants of agency direction. Rather than looking to Congress and the larger set of stakeholders for guidance, thereby opening up a whole host of issues, as we saw in GPRA, agencies can narrow the scope of possibilities and simplify the direction setting process by honing in on what their customers value. Performance-based and customer-oriented government thus creates a marketlike mechanism to regulate agency activity. A basic assumption of NPR is that if agencies are meeting customer needs, they can stay in "business."

To support this marketlike structure, the president delegates authority to agency executives. A written performance contract for each agency eliminates the "one size fits all" mentality and allows each agency to meet the unique needs of its customer base. Direction setting at the presidential level is broad to give agencies flexibility and room to maneuver, and direction setting within the agency rests on a vision open enough to invite employee innovation and entrepreneurship (Gore 1994b).

Employee entrepreneurship is critical because employees are closer to customers than anyone. They have the up-to-date knowledge on what customers want and are in the best position to listen to them and signal what changes should be made to accommodate their needs. Employees therefore have to be empowered, trained, and rewarded so they can serve as the vanguard of change, either to improve agency procedures continuously or to reengineer the work flow radically by applying the new information technologies.

Decentralized authority and an empowered work force are possible to the extent that agencies have been released from red tape and central service agency controls. Financial and human resource management subsystems (e.g., budgeting, procurement, personnel) need to be streamlined to permit greater latitude in agency operations and to provide incentives for risk taking and innovation. Inspectors general need to broaden their focus from strict compliance auditing to evaluation of management control systems. Reinvention labs, now numbering over 300 throughout the federal government, serve as the hub of experimentation. The labs can apply for waivers to release them from centralized procedures, and the lessons learned from their successes as well as failures can serve as examples for others.

Agency structures also need to be realigned to be compatible with an empowered work force and a customer orientation. Flatter structures and crosscutting ventures built around reengineered work processes supported by self-managed teams can meet customer needs faster and better than functionally designed hierarchical structures staffed with people in narrowly defined jobs. Hierarchies create boundaries within the agency and between the agency and its external stakeholders. The boundaries are impediments to the flow of information and the coordination of work, and hence, limit responsiveness.

Breaking down boundaries in other domains is important as well. Partnerships with businesses have a number of benefits. Experiencing the management revolution much earlier than government, businesses can serve as a source of information and encouragement. Purchase of commercial products can save money. Market mechanisms can be useful in solving problems related to pollution, housing, worker safety, and health. Creating market dynamics by making service organizations compete in noncore missions with one another and with the private sector can reduce government costs and improve performance. Performance partnerships with state and local governments can realize similar benefits: Programs can be consolidated; financial incentives can help states and localities achieve program goals; the locus of decision making can shift from federal to state and local administrators; increased flexibility can permit greater experimentation for state and

local governments; accountability can be based on results; and administrative savings can be anticipated. In fact, it is these boundary-breaking proposals that most resemble the Republican *Contract with America* (Gingrich and Army 1994).

To finance these much-needed reforms, agencies are to eliminate unnecessary field offices and duplicative services, consolidate their programs, raise user fees, collect delinquent funds, eliminate fraud, invest in innovation funds for long-term productivity increases, and reengineer programs to reduce costs.

2. *The Necessary and Sufficient Elements in Practice*

The NPR offers a coherent theoretical statement about the necessary and sufficient elements for strategic management in the federal government, certainly from the perspective of the adaptive approach. Implementation into practice has been another matter. Although its successes have been numerous (Gore 1994a; 1995; 1996), its transfer into practice has been and will be limited by a number of factors.

Despite its advantage of marketlike incentives based on customer needs, the problem of accountability has been only partially solved. The line of accountability that extends from the president to agency executives through managers and employees and ultimately to agency customers minimizes active involvement by other key stakeholders in the direction setting process. Noncustomer citizens can hold the president accountable only through elections every 4 years. If they object to an agency's direction, their recourse is to turn to Congress. Congressional representatives, however, are to hold federal agencies accountable only by monitoring agency results and controlling their budget. They are not expected to be heavily involved in agency direction setting. Thus, the direction setting process in federal agencies becomes the primary responsibility of the executive branch, not the Congress, a point of contention between the two branches of government that has a long history (Fisher 1993; Foreman 1995). Attempting to make the direction setting process less contentions and more businesslike, by minimizing potentially disruptive influences from noncustomer citizens and Congress, risks creating a backlash that likely will provoke even more political effects in the future.

Limiting the number of stakeholders in the direction setting process also does not solve the problem of identifying and measuring performance. The technical challenge of measuring results, as mentioned in the context of the directive approach, remains. And most importantly, developing a consensus on agency direction to clarify what results will be pursued cannot be guaranteed. Agency customers do not always agree on what they want from an agency, as demonstrated with the example of the Forest Service. Agreement within the executive branch and within each federal agency also cannot be assumed. NASA is a prime example. It was spectacularly successful in achieving Kennedy's vision of landing on the moon, but subsequent administrations and personnel within NASA could not agree in the 1970s and 1980s on a new vision for its future. The consequences were disastrous for NASA and the nation (Marx et al. 1990). This level of *dissensus* can be expected within other agencies as well. When political appointees change every few years (Finch 1995) and disrupt agency continuity, and when they hold more and more leadership positions in proportion to civil service employees (Light 1995), reaching agreement on agency direction is not easy. Performance-based agencies require a consensus on the direction they will pursue and the results they will be expected to achieve. Even without direct noncustomer stakeholder and congressional involvement, there is no evidence to suggest that conflicts can be prevented. As is the GRPA, the NPR is silent on what happens when consensus cannot be reached.

The problems with coordination within agencies, across federal agencies, and among the federal, state, and local levels of government could be eased with the enactment of many NPR proposals. Devolving responsibility for performance to lower levels could release the president and agency heads from the burden of coordinating very large and complex systems, especially during periods of dramatic change, when centralized coordination becomes very difficult (Galbraith 1973; Kiel 1994). Decentralization could also encourage governmental entities to make independent adjustments to their operations as long as they stay within the bounds of their performance contracts established with higher authority. Their responses to environmental threats and opportunities could be quick and specific to local circumstances. Substituting performance contracts for centralized financial and human resource management controls could have the additional advantage of releasing the creative talents of government employees at all levels. Through their entrepreneurship and innovation they could find more effective means to accomplish their missions. Despite these features, decentralization has raised objections from many quarters.

Objections at the federal level have come from Congress, parent organizations, centralized service agencies within the executive branch, and unions (Roberts, A. 1997). The reasons for their opposition vary. Some consider the relaxation of centralized controls over financial and personnel processes an invitation to disaster. They fear an increase in the level of waste, fraud, and abuse and therefore worry about accountability. Parent organizations resist a loss of business from captive departments that must use their services. Unions object to losing their protections under the law. Legal authorities warn of the problems that would confront an appropriation-funded performance-based organization during a budgetary deadlock and question the constitutionality of contract-based employment. Media-sensitive observers raise issues about the practicality of radically new pay and bonus packages in the goldfish bowl of public life (Roberts, A. 1997). There are also issues of cost. Decentralized systems do not necessarily save money. Entrepreneurship and innovation require slack time and resources; experimentation does not come cheap nor does it always produce useful or good results. Failure must be tolerated to encourage future risk taking behavior (Quinn 1996), a position not particularly appealing in periods of downsizing and retrenchment when cutting expenses is a political priority.

Under the weight of these criticisms and opposition, it is not surprising that there have been delays in putting forward bills that would establish performance-based organizations. With the exception of procurement laws, as of September 1996, Congress had failed to adopt many of the NPR's recommendations that would make decentralization a reality: reduction of overitemization in appropriation accounts (recommendation BGT03); elimination of employment ceilings and floors (BGT04); conversion to multiyear appropriations and permits to carry-forwards (BGT07); broadband classification systems (HRM02), performance management programs (HRM03), or incentive systems (HRM04); elimination of the GPO and GSA service monopolies (SUP01) and (SUP08) (Gore 1996).

III. COMPARISON OF APPROACHES

Table 4 compares the two approaches to strategic management in the federal government in terms of the necessary and sufficient elements. The directive approach, as exemplified in GPRA, and the adaptive approach, as, exemplified in NPR, offer two very different views on how the government should be strategically managed. Federal agencies under GPRA are expected to be bureaucratic in the Weberian sense (1947). Built on a rational-analytic foundation, technologies are to be kept as routine as possible, with specialized,

Table 4 Comparison of the Directive and Adaptive Approaches to Government

Necessary elements	Directive approach	Adaptive approach
Mandates	Bureaucratic	Entrepreneurial
Technology	Routine	Reengineered around work processes
Tasks	Specialized and functionally defined	Enlarged and redesigned around work processes
Structure	Tasks organized by function; centralized decision making	Tasks organized by projects and programs; decentralized decision making
Subsystems	Centralized to support top management control	Decentralized to support unit autonomy and control
Performance measures	Outcome-based; measures apply across the board	Outcome-based; measures uniquely designed for each performance contract

standardized, and functionally defined tasks. Organizational structure requires centralization and groupings by function, and centralized subsystems such as personnel are developed to provide organizationwide support. Performance measures are to be outcome-based, and agency executives are expected to forge a consensus with their key stakeholders in Congress on the direction to be pursued and the changes to be made.

Federal agencies under NPR are expected to be entrepreneurial. Technology is to be reengineered around basic work processes, and jobs are to be enlarged, redesigned, and team-based in order to be compatible with the new work flow. Organizational structure is to be decentralized and flattened, and groupings are to be based on projects and programs. Subsystems are to be reinvented and decentralized to support local unit autonomy and control. Performance measures must be outcome-based to reflect customer needs, and agency executives are expected to forge a customer-oriented consensus with the president on the direction they will pursue and the changes they will make.

Reality gets the way of both approaches, however. Table 5 summarizes the challenges each approach confronts in practice. As with all centralized systems, the directive

Table 5 Challenges in Practice

GPRA	NPR
Coordination in centralized structures that overwhelms those at the top, especially during periods of rapid change	Decentralization checked by those who fear loss of control and greater expense
Poorly developed financial management system	Poorly developed financial management system
Poorly developed information management system	Poorly developed information management system
Results that focus on process measures and transition to outcome measures are slow	Results focus on customers, neglecting other key stakeholders, e.g., Congress
Direction setting that depends on a dominant coalition	Direction setting that depends on a dominant coalition
Necessity for a dominant coalition to agree on changes to be made	Necessity for a dominant coalition to agree on changes to be made

approach puts top-level executives in a bind. When the system they manage increases in size and complexity, they can no longer process the information that is funneled to them from the lower-level units (Galbraith 1973). As they suffer information overload, their decisions are untimely, often inappropriate. They begin to fail as the center of coordination; their entire system then bogs down and becomes less efficient. The First Hoover Commission Report (1949) recognized the problem: "There is a limit . . . in the size and complexity of Government beyond which it is no longer feasible to furnish services centrally without creating serious bottlenecks, delays, and confusion"; it noted also, "this point has long been reached in the operations of the Federal Government" (Mosher 1976: 215).

Unfortunately GPRA opens up the prospect of greater centralization, but this time it is in the legislative rather than the executive branch. Additional staff and support services will be required to assist Congress in its oversight of agency strategic plans, yearly performance reports, and operating budgets. Drawn deeper and deeper into organizational issues through the consultative process, Congress will begin to take on what were formally agency responsibilities. The temptation will be too great to stay on the sidelines and control only through the budgetary process. The justification, as with all centralized systems, will be to intervene in order to ensure accountability at its lower levels and to bring rationality to the maze of ill-structured and poorly coordinated programs. At some point, with greater and greater responsibilities, Congress will be unable to keep up with the agencies' information processing requirements. The problem will be compounded should environmental changes prompt agencies to demand even faster response times. "Bottlenecks, delays, and confusion" are the likely consequence.

The directive approach also suffers from poorly developed subsystems, especially financial and information management subsystems, and none of the corrections is a quick fix. Accountability will continue to be weak because of reliance on process indicators rather than outcome indicators. Although experimentation in pilots has demonstrated that some of the technical problems in measuring performance can be overcome, the political problems will continue to be troublesome. Performance-based agencies require a consensus on direction to define and measure results. Yet the GPRA pilot studies indicate that the plans will be "mixed" and "highly uneven" (U.S. GAO 1997, GAO/GGD-97-109). A consensus will not always be forthcoming in a divided or a shared power system of governance that tolerates and protects competing values. Without consensus, agencies unfortunately will lack the sufficient elements of strategic management.

The adaptive approach, as exemplified in the NPR, does not fare much better in practice. A work in progress (Kettl 1995), the NPR fights against the assumptions and realities of the directive approach, which still holds most agencies captive. The switch from the directive approach, which requires control and order, to the adaptive approach, which prizes flexibility and entrepreneurship, requires radical, discontinuous, transformational change (Nadler et al. 1995). Transformation is difficult enough in large and complex businesses (Ashkenas et al. 1995; Kotter 1995), but it is monumentally difficult in state governments (Roberts and King 1996), even more so in national governments, as the experiments in New Zealand, Australia, and Britain attest (Mascarenhas 1993; *Journal of Policy Analysis and Management* 1997).

Certainly, the adaptive approach's position on decentralization is much more reasonable than the top-down, centralized approach of GPRA, especially given the size and complexity of most federal agencies and the level of environmental turbulence they confront. Certainly, the interagency committees and the President's Management Council will provide some coordination. However, attempts to devolve authority have been checked by

those who fear loss of control, resources, and protected status. Changes in centralized sub-systems, especially human resources and financial management, have been delayed as a result of opposition from various quarters, making decentralization more of a hope than a reality. Attempts to finesse the problems of performance measurement by focusing on customers, instead of other contentious stakeholders in Congress, leave the NPR vulnerable on many counts, not least of which are democratic accountability to the president and a larger set of stakeholders, and renewal of the fight over which branch of government will control federal agencies (Arnold 1995; Caiden 1994; Carroll 1995; 1996; 1997; Carroll and Lynn 1996; Fox 1996; Frederickson 1996; 1997; Ingraham 1997; Kettl 1995; Meir 1997; Moe 1994; Moe and Gilmour 1995; Rosenbloom 1993; Thompson and Ingraham 1996). And most importantly from our perspective, the NPR still does not solve the problem of what to do when consensus on direction is not forthcoming to ensure the sufficient conditions of strategic management.

The overview of the necessary and sufficient elements of strategic management in the federal government from the perspectives of the directive and adaptive approaches has been revealing. Both approaches suffer from the incomplete implementation of the necessary elements. The inability to manage finances and information and to define and measure performance is as limiting to one as it is to the other. By all accounts, it would appear that strategic management at the federal level whether viewed from the directive or the adaptive approach is still locked into phase 1 in the evolution of strategic management (Gluck et al. 1982).

If this were the only issue, there would be some cause for optimism. There is measured progress being made on the necessary conditions thanks to both GPRA and NPR.² There is a recognition that agency management is a serious matter, a welcome change from previous focus on policy-making and analysis. What is more unsettling, however, is the lack of attention to the sufficient elements. Federal agencies are embedded in a political context; they are often pulled apart by competing values in a divided government that constitutionally requires power sharing among the various branches and levels in the formulation and implementation of policy (Bryson and Einsweiler 1991; Fisher 1993). Despite the emphasis on consultations with Congress and a focus on customers, what happens when an agency lacks a dominant coalition to guide its activities? What happens if a dominant coalition is unable to agree on agency direction? Without a consensus, then what? It would appear that the current experimentation on strategic management in the federal government hinges on the ability to forge a consensus with no mention of what will happen if a consensus fails to emerge.

IV. THE SEARCH FOR CONSENSUS

The search for consensus in federal government agencies may be like the quest for the holy grail—difficult, elusive, and impossible if one does not hold the proper beliefs and values. After all, our system of governance assumes conflict and establishes a framework to manage differences that are considered to be a natural part of the democratic process. Perhaps we should just accept that conflict will always be with us; that barring consensus, some federal agencies will just have to surrender the hope of greater efficiency and effectiveness because no one can agree on what they are supposed to do and how to do it. Perhaps.

Instead of giving up on the prospects of moving beyond the political model in conflict-prone agencies, we think there is another way. Although acknowledging that it might

be impossible to secure agreement if people's differences are truly fundamental and irreconcilable, the option of developing an approach to strategic management that takes into account the constraints under which federal managers have to labor should at least be considered. The directive and adaptive approaches transferred from business may be conveniently available and have a logic that has been well tested in business settings, but they lack applicability when there is a weak or nonexistent political authority that can impose "consensus" on the organization. Let us examine what an approach specifically designed for consensus building in the federal government might look like.

A. Networks

Consensus building would begin with the acknowledgment that networks are a more appropriate unit of analysis than hierarchies or organizations, certainly not news to those who study policy networks (Sabatier and Jenkins-Smith 1993) and issues networks (Heclo 1978). Networks, defined as nodes connected by relations (Bradley and Roberts 1989), can be occupied by social actors ranging from individuals to organizations, nation-states, and international bodies, and they can cross public, private, and nonprofit sector lines at international, federal, state, and local levels, depending on the issue under question. Since government operations tend to be carried out in interorganizational, intersectoral, and multilevel domains that rarely have neat, well-defined boundaries to circumscribe activities, we suggest it is more appropriate to consider consensus building in networks than in organizations.

In the U.S. shared power system of governance, the Congress makes the laws, the executive ensures that they are "faithfully executed," and the judiciary evaluates and resolves controversies to which they both may be a party. Thus, the steps in the strategic management process (direction setting, implementation, and evaluation) are assumed by different institutions and responsibilities are dispersed among a number of different organizations. This arrangement is even more complicated by the inclusion of private and nonprofit actors. Citizens have input at various points of the policy formulation process. The government subcontracts nonprofit and private sector organizations to implement and evaluate policy. The complexity increases as we factor in the set of governmental and nongovernmental relationships at the state and local levels that are part of the "coproduction" process, all operating with different authority and incentive structures.

Contrast this complicated set of networked relations with what goes on in a private sector firm. Whether we consider a 10-person family-owned operation or a multinational corporation, the organization is the unit of analysis. All direction setting, implementation, and evaluation in the strategic management process occur under its auspices. No matter how many alliances, joint ventures, and contracts it establishes with outside social actors, the firm has a clearly defined organizational boundary that enables it to exercise authority and manipulate relationships to its advantage.

Networks operate on a different set of principles (Powell 1991). The normative basis of their formations are the complementary strengths among the members. Social actors engage in reciprocal, preferential, mutually supportive actions. The assumption is that "one party is dependent on resources controlled by another, and that there are gains to be had by the pooling of resources" (Powell 1991:272). Coming "into existence to deal with large-scale issues that cannot be dealt with via existing organizations or mere inter-organizational cooperation" (Chisholm 1998:204), networks are a different form of organization from markets and hierarchies (Powell 1991; Williamson 1975). As such, we believe, they require

a different approach to consensus building, especially when considering the large number of participants in a network structure.

B. Consensus Building and Planning in a Large Network

1. Strategic Issues Management

The strategic issues approach to consensus building and planning has been widely adopted and successfully used in networks (Bryson 1995; Nutt and Backoff 1992). Strategic issues are framed as questions of critical concern to participants in a direction setting effort. The only consensus required to begin the process is agreement on the important questions to ask (Roberts 1997). Consensus on goals is not recommended because it tends to work under limited conditions: narrowly defined mission; likelihood of broad and deep agreement; sufficient goal specificity to guide strategy development; a hierarchical authority structure that empowers key decision makers to impose goals on those affected; externally imposed mandates to drive the direction setting process; a few powerful stakeholders; and participants who are relatively homogeneous and share a consensus on values (Bryson 1995). The vision approach to strategic planning is not recommended either because it is primarily useful when a relatively short idealized scenario of the future can be developed; there is a good probability that key actors can agree on a vision; a holistic or integrated direction is necessary; a new executive takes office, especially during a crisis; the social unit or units are not tightly constrained by mandates and conflicting expectations among numerous stakeholders; and a homogeneous group of people share underlying value consensus (Bryson 1995).

In contrast to the goals and the vision approach to strategic planning, the strategic issues approach is better suited when there is no agreement on goals, or the goals are too abstract to be useful; there is no vision of success and developing a consensus-based vision will be difficult; there is no hierarchy that can impose goals on the stakeholders; the environment is very turbulent and goal setting is difficult; the domain is partisan, politicized, and fragmented; and partial action to address key questions and issues is preferable to no action at all (Bryson 1995). In other words, the strategic issues approach to planning can work well when direction setting presents most problems.

The strategic issues approach has another advantage. It can be specifically designed to address the tensions and paradoxes that threaten to pull people in many different directions at the same time (Nutt and Backoff 1992:127-145). Geared to assist participants in managing a world of competing values and priorities, it puts the paradoxical issues up front and center rather leaving them unaddressed. The intention is to help managers confront the reality of their circumstances, and in so doing, develop strategies that are a better fit with their context. One could envision a strategic issues planning session with federal agencies beginning with these, as yet, unexplored paradoxical questions, which are at the heart of the dilemma of introducing strategic management to the federal government: How can we exert the requisite control to manage our organizations strategically in a shared power system of governance that has been established to check our control and power? How can we be held accountable through a strict chain of command from elected representatives to organizational executives and managers and yet adapt to a changing environment that necessitates individual and agency flexibility, experimentation and innovation, and freedom from that chain of command? How can we be responsive to the unique needs of our citizen-customer and yet guarantee that all other citizens are treated equitably? How can we ensure that government works better, a process that often requires adaptation and increased expen-

ditures, and at the same time ensure that government costs less, an effort that demands efficiency, cost cutting, and downsizing?

2. Accommodation of Large Numbers

Because the strategic issues approach to planning can draw together numerous stakeholders in extended networks, new planning techniques have been invented to accommodate large groups of people. Stakeholder deliberations, no longer limited by organizational boundaries, have attracted thousands (Roberts 1997). Known by the generic terms "large-group interventions" (Bunker and Alban 1997), they include the search conference (Emery and Purser 1996) and the future search conference (Weisbord 1992; Weisbord and Janoff 1995). Designing and managing search conferences take a great deal of preparation and skill. In the hundreds of search conferences conducted worldwide, conveners have developed a data bank of experiences and knowledge enabling them to apply the techniques to any number of settings. Although a search conference is no guarantee that consensus on action will emerge around a strategic issue question, evidence to date shows promise in dealing with some very difficult controversial issues in environmental planning, community development, and health and human services (Emery and Purser 1996; Weisbord 1992; Weisbord and Janoff 1995).

C. A New Approach to Strategic Management—the Generative Approach

A network-based planning process that accommodates large numbers would be very useful to federal managers working toward a consensus on agency direction. However, the usefulness would be limited unless it also was constructed on a different set of organizing principles. These principles have to do with values, skills, and leadership behavior. Since these principles are very different from those of the more traditional kinds found in the directive and adaptive approaches, they have been differentiated from the earlier forms with a new name—the generative approach to strategic management (Roberts 1997; 2000).

The generative approach rests on cooperation as a result of the interdependent nature of the issues examined. By definition, network members address issues that are typically complex, ill defined, and boundary-spanning. Since no one social actor has complete ownership of the issue or the problem, no one social unit can lay claim to its solution without the involvement of others. Only by pooling their information, knowledge, skills, and resources can members hope to be successful in generating a collective solution. Power plays, competition over scarce resources, or adversarial relations among network members may enable some social units to advance their particular cause over others, but in serving self-interest they undermine the network's interests and impede its generative capacity to be creative.

The skill of dialogue is essential in the cooperative effort. The word *dialogue* comes from the Greek word *dialogos*. It suggests, according to David Bohm, "a stream of meaning flowing among us and through us and between us—a flow of meaning in the whole group, out of which will emerge a new understanding, something creative" (Bohm 1992:16). Dialogue requires participants to suspend their assumptions and enter into a process of thinking together so the collective can attain insights beyond what is individually possible (Senge 1990). Grounded in reflection and inquiry, the discipline of dialogue enables people to recognize the incoherent patterns of their thoughts and to prevent interactions that undermine their effectiveness—fault finding rather than joint problem solving,

defensive routines rather than true communication, hoarding of information rather than sharing of it. In other words, dialogue enables network participants truly to engage and learn from one another as a group rather than as individuals. It opens up new ways of looking at the world and encourages a deeper understanding of a system and its dynamics.

The role of leadership in a generative approach to strategic management is very different from the heroic view in the directive and adaptive approaches. Collective learning requires network leaders to take on the roles of stewards, teachers, and designers (Senge 1990). In a democratic society, stewards take responsibility for "social learning about public problems and possibilities" (Reich 1990:8). They do more than help people discover what they want for themselves and then provide the best means for satisfying those wants. Their charge is to help people develop "alternative visions of what is desirable and possible, to stimulate discussion about them, to provoke reexamination of premises and values, and thus to broaden the range of potential responses and deepen society's understanding of itself" (Reich 1990:8). Rather than being mired in "thoughtless adherence to outmoded formulation of problems," they help a broader repertoire of options and possibilities for the future to surface. Under their guidance, the strategy process "should be more than and different from the discovery of what people want; it should entail the creation of contexts in which the public can critically evaluate and revise what it believes" (Reich 1990:8).

As designers, leaders are concerned with creating and maintaining cooperative learning networks. Capable of seeing the entire system and how the various parts and elements interconnect to form the whole, they have the responsibility to design and convene opportunities to draw network members together. Through these collective experiences, it is hoped, network members will begin to develop a common identity and sense of purpose so that they can begin to learn from one another and deal productively with the critical issues they face. As teachers, leaders establish the norms of cooperation and serve as role models for others. By encouraging network members to think more broadly and to take into account the dynamic forces shaping them, they help people to restructure their views of reality (Senge 1990). And by moving people beyond quick fixes and local solutions to the underlying causes of their problems, the leaders free them to see new possibilities for shaping their future together.

V. CONCLUSION

There is a grand irony in considering strategic management in the federal government. Strategic management, a private sector business tool, has been introduced to federal government practice. Its principles and assumptions undergird the powerful reform initiatives embodied in GPRA and NPR. The directive approach to strategic management finds expression in GPRA; the adaptive approach, in NPR. Despite their differences, each initiative assumes that administrative rationality can fit in a world that operates on the basis of political rationality—a curious assumption that overlooks the context from which administrative practice springs. Enthusiasts seem only too willing to forget their roots and adopt business transplants without much concern for their application. Perhaps their rush to reform is an acknowledgment of the desperate straits of federal management, and their uncritical acceptance suggests that doing something, whatever that might be, is better than doing nothing. And besides, don't we all know that what is good for business is good for government?

We share the views of those who have voiced doubts about GPRA and NPR and find their objections about the context compelling. "Public management cannot be divorced

from politics and the political culture. Rarely is poor management in the public sector the outcome of purely managerial reasons and a bureaucratic culture" (Caiden 1994:126). Caiden's and others' observation fits our own analysis of the necessary and sufficient elements of strategic management practice in the federal government. Conflict prevents the development of sufficient elements and further refinement of the necessary elements. Still locked into phase 1 in the evolution of strategic management, federal practice is limited and will likely stay that way for a long time, the efforts of NPR and GPRA notwithstanding.

To the extent a consensus on any agency's direction emerges, strategic management and the changes it prompts hold promise for reform (Khademian 1995; Simon 1997; Wilson 1989). As in business, when there is consensus on organization and a dominant coalition strong enough to enforce it, strategic management is a useful process and tool. Consensus on agency direction will be hard won, however, since the executive and legislative branches are using very different approaches to strategic management practice. The executive branch has turned to the adaptive approach in an attempt to relieve itself of the burden of a comprehensive, top-down goal setting process that is a poor fit in a complex, dynamic political economy. The executive branch recognizes its limits in controlling a bureaucracy the size and the complexity of the federal government in a very turbulent time. The legislative branch, in a struggle with the executive branch over the control of federal agencies, has opted for the directive approach. To allow federal agencies to use the adaptive approach risks that agencies either will do the bidding of the president or will be independent, neither an attractive option to the Congress. Thus, to the extent that a dissensus exists—over agency direction, over approaches to strategic management, over which branch controls federal agencies—the principles of business strategic management will be of little value.

Context matters, especially in the practice of strategic management (Baum and Dutton 1996). We agree that public management "is different and has to be treated differently" and approached in its own terms (Caiden 1994:126). That is why we strongly encourage the creation of new approaches to strategic management in the federal government, especially when agencies and bureaus lack consensus on direction. We have identified the elements that we think are important in building a consensus: network-based management, strategic issues planning that can accommodate large numbers, stakeholder collaboration and learning, the skills of dialogue, and leaders who act as stewards, designers, and teachers by inviting stakeholders to join them in a process of civic discovery and a search for the common good (Block 1993; Bryson and Crosby 1992; Reich 1990; Schachter 1995). We call the approach generative; there may be other approaches as well. There is no one best way to manage strategically in public settings. The unique context and history of public management in the United States call for a range of options. We invite others to join us in the search.

ENDNOTES

1. The first National Performance Review report, *From Red Tape to Results*, was issued in September 1993. It was accompanied by 33 supporting documents. Taken together, these reports total more than 1,900 pages. The NPR office has also released Gore's yearly updates such as *Status Report* (1994), *Common Sense Government* (1995), and *Best Kept Secrets in Government* (1996). A GAO assessment of NPR progress can be found in *Management Reform* GAO/GGD-96-94.
2. By documenting the difficulties in implementing both GPRA and NPR, we have given short shrift to the progress being made. Consult Gore (1994a, 1995, 1996) for a review of the changes

as a result of NPR. See also the GAO report that evaluates these claims (GAO, 1996). Progress in federal agencies is also noteworthy among the President's Quality Award Winners (Simon 1997).

REFERENCES

- Andrews, K. R. (1971). *The Concept of Corporate Strategy*, Irwin, Homewood, Illinois.
- Ansoff, H. I., Declerck, R.P.M., and Hayes, R. L. (1976). From strategic planning to strategic management, *Strategic Planning to Strategic Management* (H. I. Ansoff, R.P.M. Declerck, and R. L. Hayes, eds.), Wiley, New York.
- Antony, R. N., and Young, D. (1988). *Management Control in Nonprofit Organizations*, 4th ed., Irwin, Homewood, Illinois.
- Arnold, P. E. (1995). Reform's changing role, *Public Administration Review*, 55(5):407-417.
- Askenas, R., Ulrich, D., and Jick, T. (1995). *The Boundaryless Organization: Breaking the Chains of Organizational Structure*, Jossey-Bass, San Francisco.
- Baum, J.A.C., and Dutton, J. E., eds. (1996). *The Embeddedness of Strategy*, JAI Press, Greenwich, Connecticut.
- Behn, R. D. (1995). The big questions of public management, *Public Administration Review*, 55(4):313-324.
- Behn, R. D. (1996). "The New Public-Management Paradigm and the Search for Democratic Accountability," paper presented at the Eighteenth Annual Research Conference of the Association for Public Policy Analysis and Management, Pittsburgh, October 31-November 2.
- Block, P. (1993). *Stewardship: Choosing Service over Self-Interest*, Berrett-Koehler, San Francisco.
- Bohm, D. D. (1992). On dialogue, *Noetic Sciences Review*, Autumn, pp. 16-18.
- Boschken, H. L. (1994). Organizational performance and multiple constituencies, *Public Administration Review*, 54(3):308-312.
- Bowling, T. M. (1996). "Civil Service Reform: Redress System Implications of the Omnibus Civil Service Reform Act of 1996," testimony before the Subcommittee on Civil Service, Committee on Government Reform and Oversight, House of Representatives, July 16, GAO/T-GGD-96-160.
- Bowsher, C. A. (1995a). "Financial Management: Continued Momentum Essential to Achieve Act Goals," testimony before the Committee on Governmental Affairs, United States Senate, December 14, GAO/T-AIMD-96-10.
- Bowsher, C. A. (1995b). "Government Reorganization: Issues and Principles," testimony before the Committee on Governmental Affairs, United States Senate, May 17, GAO/T-GGD/AIMD-95-166.
- Bradley, R. T., and Roberts, N. C. (1989). Network structure from relational data, *Social Networks*, 11: 89-134.
- Bryson, J. M. (1995). *Strategic Planning for Public and Nonprofit Organizations*, Jossey-Bass, San Francisco.
- Bryson, J. M., and Crosby, B. C. (1992). *Leadership for the Common Good: Tackling Public Problems in a Shared-Power World*, Jossey-Bass, San Francisco.
- Bryson, J. M., and Einsweiler, R. C., eds. (1991). *Shared Power*. University Press of America, Lanham, Maryland.
- Bunker, B., and Alban, B. (1997). *Large Group Interventions*, Jossey-Bass, San Francisco.
- Caiden, G. E. (1994). Administrative reform-American style, *Public Administration Review*, 54(2):123-128.
- Campbell, A., and Alexander, M. (1997). What's wrong with strategy? *Harvard Business Review*, November-December, pp. 42-52.
- Carroll, J. D. (1995). The rhetoric of reform and political reality in the national performance review, *Public Administration Review*, 55(3):302-312.

- Carroll, J. D. (1996). The future of federal reinvention: Congressional perspectives, *Public Administration Review*, 56(3):299-304.
- Carroll, J. D. (1997). The warfare on and over American government in Waldonian perspective, *Public Administration Review*, 57(3):200-204.
- Carroll, J. D., and Lynn, D. B. (1996). The future of federal reinvention: Congressional perspectives, *Public Administration Review*, 56(3):299-304.
- Chisholm, R. G. (1998). *Developing Network Organizations*, Addison-Wesley, Reading, Massachusetts.
- Cohen, M. D., March, J. G., and Olsen, J. P. (1972). The garbage can model of organizational choice, *Administrative Science Quarterly*, 17:1-25.
- Dodaro, G. L. (1995). "Letter to Honorable William V. Roth, Jr.," January 6, GAO/AIMD-95-67R.
- Dodaro, G. L. (1997). "Chief Information Officers: Ensuring Strong Leadership and an Effective Council," testimony before the Subcommittee on Government Management, Information and Technology, Committee on Government Reform and Oversight, House of Representatives, October 27, GAO/T-AIMD-98-22.
- Doty, D. H., Glick, W. H., and Huber, G. P. (1993). Fit, equifinality, and organizational effectiveness: A test of two configurational theories: A test of two configurational theories, *Academy of Management Journal*, 36(6):1196-1250.
- Emery, M., and Purser, R. (1996). *The Search Conference: Theory and Practice*, Jossey-Bass, San Francisco.
- Finch, J. C. (1995). "Managing for Results: Status of the Government Performance Results Act." testimony before the Subcommittee on Government Management, Information and Technology Committee on Government Reform and Oversight, House of Representatives, June 27, GAO/T-GGD-95-193.
- Fisher, L. (1993). *The Politics of Shared Power: Congress and the Executive*, 3rd ed., Congressional Quarterly Press, Washington, D.C.
- Foreman, C. H. (1995). Reinventing politics? The NPR meets congress. *Inside the Reinvention Machine* (D.F. Kettl and J.J. DiIulio eds.), Brookings Institution, Washington, D.C.
- Fox, C. J. (1996). Reinventing government as postmodern symbolic politics, *Public Administration Review*, 56(3):256-262.
- Frederickson, G. H. (1996). Comparing the reinventing government movement with the new public administration, *Public Administration Review*, 56(3):263-270.
- Frederickson, H. G. (1997). *The Spirit of Public Administration*, Jossey-Bass, San Francisco.
- Galbraith, J. (1973). *Designing Complex Organizations*, Addison-Wesley, Reading, Massachusetts.
- Gingrich, N. and Arme, D. (1994). *Contract with America*, Random House, New York.
- Gluck, F. W., Kaufman, S. P., and Walleck, A. S. (1982). The four phases of strategic management, *Journal of Business Strategy*, Winter, pp. 9-21.
- Gore, A. (1993). *From Red Tape to Results: Creating a Government That Works Better and Costs Less*, Report of the National Performance Review, U.S. Government Printing Office, Washington, D.C.
- Gore, A. (1994a). *Creating a Government That Works Better and Costs Less: Status Report of the National Performance Review*, U.S. Government Printing Office, Washington, D.C.
- Gore, A. (1994b). The new job of the federal executive, *Public Administration Review*, 54: 317-331.
- Gore, A. (1995). *Common Sense Government: Works Better and Costs Less*, U.S. Government Printing Office, Washington, D.C.
- Gore, A. (1996). *The Best Kept Secrets in Washington*, U.S. Government Printing Office, Washington, D.C.
- Gore, A. (1997). *Businesslike Government: Lessons Learned from America's Best Companies*, Report of the National Performance Review. National Performance Review Library, available at [www.npr.gov].
- Government Performance and Results Act of 1993, P. L. P. L. 103-62.
- Groszyk, W. (1995). Implementation of the Government Performance and Results Act of 1993, National Performance Review Library, available at [www.npr.gov].

- Hackman, J. R., and Oldham, G. R. (1980). *Work Redesign*, Addison-Wesley, Reading, Massachusetts.
- Hammer, M., and Champy, J. (1993). *Reengineering the Corporation*, HarperBusiness, New York.
- Heclo, H. (1978). Issue networks and the executive establishment, *The New American Political System* (A. King, ed.), American Enterprise Institute, Washington, D.C.
- Hinchman, J. F. (1997). "Financial Management: Implementation of the Federal Financial Management Improvement Act of 1996," report to Congressional Committees, October. GAO/AIMD-98-1.
- Ingraham, P. W. (1997). Play it again Sam: It's still not right: Searching for the right notes in administrative reform, *Public Administration Review*, 57(4):325-331.
- Jones, C., Hesterly, W. S., and Borgatti, S. P. (1997). A general theory of network governance, *Academy of Management Review*, 22(4):911-945.
- Journal of Policy Analysis and Management*. (1997). Special Issue: The New Public Management and Beyond, 16(3).
- Joyce, P. G. (1993). Using performance measures for federal budgeting: Proposals and prospects, *Public Budgeting and Finance*, 13(4):3-17.
- Kamensky, J. M. (1996). Role of the "Reinventing Government" movement in federal management reform, *Public Administration Review*, 56(3):247-262.
- Kearns, K. (1994). The Strategic management of accountability in nonprofit organization: An analytical framework, *Public Administration Review*, 54(2):185-192.
- Kettl, D. F. (1995). Building lasting reform: Enduring questions, missing answers, *Inside the Reinvention Machine* (D. F. Kettl and J. J. DiIulio eds.), Brookings Institution, Washington, D.C.
- Khademian, A. M. (1995). Reinventing a government corporation: Professional priorities and a clear bottom line, *Public Administration Review*, 55(1): 17-28.
- Kiel, L. D. (1994). *Managing Chaos and Complexity in Government*, Jossey-Bass, San Francisco.
- Kotter, J. P. (1995). Leading change: Why transformation efforts fail, *Harvard Business Review*, March-April, pp. 59-67.
- Kravchuk, R. S., and Schack, R. W. (1996). Designing effective performance-measurement systems under the Government Performance Results Act of 1993, *Public Administration Review*, 56(4): 348-358.
- Levine, A. S. (1982). *Managing NASA in the Apollo Era*, NASA, Washington, D.C.
- Light, P. (1995). *Thickening Government*, Brookings Institution, Washington, D.C.
- Lorange, P. (1980). *Corporate Planning: An Executive Viewpoint*, N.J.: Prentice-Hall, Englewood Cliffs, New Jersey.
- Lynn, L. E. (1996). *Public Management as Art, Science, and Profession*, Chatham House, Chatham, New Jersey.
- Mandell, M. P. Organizational network: Collective organizational strategies, *Handbook of Strategic Management* (J. Rabin, G. J. Miller, and W. Bartley Hildreth eds.), Marcel Dekker, New York.
- March, J. G., and Olsen, J. P. (1995). *Democratic Governance*, Free Press, New York.
- Marx, R., Stubbart, C., and Traub, V. (1990). The NASA space shuttle disaster, *Strategic Management: Concepts, Decisions, Cases* (L.A. Digman ed.), BPI Irwin, Homewood, Illinois.
- Mascarenhas, R. C. (1993). Building an enterprise culture in the public sector: Reform of the public sector in Australia, Britain, and New Zealand, *Public Administration Review*, 53(4): 319-328.
- Meir, K. J. (1997). Bureaucracy and democracy: The case for more bureaucracy and less democracy, *Public Administration Review*, 57(3): 193-199.
- Miles, R. E., Snow, C. C., and Meyer, A. D. (1978). *Organizational Strategy, Structure, and Process*, McGraw-Hill, New York.
- Mintzberg, H. (1994). *The Rise and Fall of Strategic Planning*, The Free Press, New York.
- Mintzberg, H. (1996a). Managing government, governing management, *Harvard Business Review*, May-June, pp. 75-83.
- Mintzberg, H. (1996b). The structuring of organizations, *The Strategy Process*, 3rd ed. (H. Mintzberg and J. B. Quinn, eds.) Prentice-Hall, Upper Saddle River, New Jersey.

- Moe, R. C. (1994). The "reinventing government" exercise: Misinterpreting the problem, misjudging the consequences, *Public Administration Review*, 54(2): 111-122.
- Moe, R. C., and Gilmour, R. S. (1995). Rediscovering principles of public administration: the neglected foundation of public law, *Public Administration Review*, 55(2): 135-146.
- Mosher, F. C. (1976). *Basic Documents of American Public Administration, 1776-1950*, Holmes & Meier, New York.
- Mosher, F. C. (1981). *Basic Literature of American Public Administration 1787-1950*, Holmes & Meier, New York.
- Nadler, D., Shaw, R. B., Walton, A. E. (1995). *Discontinuous Change: Leading Organizational Transformation*, Jossey-Bass, San Francisco.
- Nadler, D., and Tushman, M. (1988). *Strategic Organizational Design*, Scott, Foresman, Glenview, Illinois.
- National Academy of Public Administration. (1994). *Toward Useful Performance Measurement: Lessons Learned From Initial Pilot Performance Plans Under the Government Performance Results Act*, National Academy of Public Administration, Washington, D.C.
- Nutt, P., and Backoff, B. (1992). *Strategic Management of Public and Third Sector Organizations*, Jossey-Bass, San Francisco.
- Osborne, D., and Gaebler, T. (1992). *Reinventing Government: How the Entrepreneurial Spirit Is Transforming the Public Sector from Schoolhouse to Statehouse, City Hall to the Pentagon*, Addison-Wesley, Reading, Massachusetts.
- Quinn, J. B. (1996). Managing innovations: Controlled chaos, *The Strategy Process*, 3rd ed. (H. Mintzberg and J. B. Quinn eds.), Prentice Hall, Upper Saddle River, New Jersey.
- Perrow, C. (1967). A framework for the comparative analysis of organizations, *American Sociological Review*, 32: 194-208.
- Pfeffer, J. (1981). *Power in Organizations*, Pitman, Boston.
- Powell, W. W. (1991). "Neither market nor hierarchy: Network forms of organization" *Markets, Hierarchies & Networks: The Coordination of Social Life* (G. Thompson, J. Frances, R. Levacic, and J. Mitchell eds.), Sage, London.
- Provan, K. G., and Milward, H. B. (1995). A preliminary theory of interorganizational network effectiveness, *Administrative Science Quarterly*, 40(1): 1-33.
- Reich, R. B. (1990). *Public Management in a Democratic Society*, Prentice-Hall, Englewood Cliffs, New Jersey.
- Riccucci, N. M. (1995). "Execucrats," politics, and public policy: What are the ingredients for successful performance in the federal government? *Public Administration Review*, 55(3):219-230.
- Roberts, A. (1997). Performance-based organizations: Assessing the gore plan, *Public Administration Review*, 57(6): 465-478.
- Roberts, N. C. (1993). Limitations of strategic action in bureaus, *Public Management: The State of the Art* (B. Bozeman, ed.), Jossey-Bass, San Francisco.
- Roberts, N. C. (1997). Public deliberation: An alternative approach to crafting policy and setting direction, *Public Administration Review*, 52(2): 124-132.
- Roberts, N. C. (2000). Organizational configurations: Four approaches to public sector general management, *Advancing Public Management* (J. Brudney, L. O'Toole, and H. Rainey eds.), Georgetown University Press, Washington D. C.
- Roberts, N. C., and King, P. J. (1996). *Transforming Public Policy: Dynamics of Policy Entrepreneurship and Innovation*, Jossey-Bass, San Francisco.
- Rosenbloom, D. H. (1993). Editorial: Have an administrative Rx? Don't forget the politics! *Public Administration Review*, 53(6): 503-507.
- Rosenbloom, D. H. (1995). The context of management reforms, *The Public Manager*, Spring, pp. 3-6.
- Sabatier, P.A. and Jenkins-Smith, H.C. (eds.) (1993). *Policy Change and Learning: An Advocacy Coalition Approach*, Westview Press, Boulder, Colorado.
- Schachter, H. L. (1995). Reinventing government or reinventing ourselves: Two models for improving government performance, *Public Administration Review*, 55(6): 530-537.

- Schendel, D. E., and Hofer, C. W. (1979). *Strategic Management: A New View of Business Policy and Planning*, Little, Brown, Boston.
- Senge, P. (1990). *The Fifth Discipline*, Doubleday/Currency, New York.
- Simon, C. A. (1997). "Organizational Performance in the Public Sector: A Comparison of 77 Federal Bureaus Receiving or Not Receiving the President's Quality Award, 1992-1997," unpublished dissertation, United States International, San Diego, California.
- Steiner, G. A. (1979). *Strategic Planning*, Free Press, New York.
- Stevens, L. N. (1996). "Managing for Results: Progress and Challenges in Implementing GPRA at Pilot Agencies," testimony before the Committee on Governmental Affairs, U.S. Senate, and the Committee on Governmental Reform and Oversight House of Representatives, June 19, GAO/T-GGD-96-136.
- Stevens, L. N. (1997). "Managing for Results: Enhancing the Usefulness of GPRA Consultations Between the Executive Branch and Congress," testimony before the Subcommittee on Management, Information and Technology Committee on Government Reform and Oversight, House of Representatives, March 10, GAO/T-GGD-97-56.
- Stillman, R. J. (1982). *Basic Documents of American Public Administration Since 1950*, Holmes & Meier, New York.
- Thompson, J. D. (1967). *Organizations in Action*, McGraw-Hill, New York.
- Thompson, F., and Jones, L. R. (1994). *Reinventing the Pentagon*, Jossey-Bass, San Francisco.
- Thompson, G., Frances, J., Levacic, R., and Mitchell, J., eds. (1991). *Markets, Hierarchies and Networks: The Coordination of Social Life*, Sage, London.
- Thompson, R. (1994). Mission-driven, results-oriented budgeting: Financial administration and the new public management, *Public Budgeting and Finance*, 14(3): 9-105.
- Thompson, J. R., and Ingraham, P. W. (1996). The reinvention game, *Public Administration Review*, 56(3): 291-298.
- Toft, G. S. (1989) Synoptic (one best way) approaches of strategic management, *Handbook of Strategic Management* (J. Rabin, G. J. Miller, and W. Bartley Hildreth eds.), Marcel Dekker, New York.
- U.S. General Accounting Office. (1993). *Performance Budgeting, State Experiences and Implications for the Federal Government*, U.S. Government Printing Office, Washington, D.C.
- U.S. General Accounting Office. (1994). *Management Reforms: Examples of Public and Private Innovations to Improve Service Delivery*, U.S. Government Printing Office, Washington, D.C.
- U.S. General Accounting Office, *Testimony of Charles A. Bowshe Before the Committee on Governmental Affairs, United States Senate*: (1994). *Improving Government, Actions Needed to Sustain and Enhance Management Reforms*, U.S. Government Printing Office, Washington, D.C.
- U.S. General Accounting Office. (1995). *Office of Management and Budget, Changes Resulting from the OMB 2000 Reorganization*, U.S. Government Printing Office, Washington, D.C.
- U.S. General Accounting Office. (1995). *Managing for Results: Steps for Strengthening Federal Management*, U.S. Government Printing Office, Washington, D.C.
- U.S. General Accounting Office. (1995). *Managing for Results: Critical Actions for Measuring Performance*, U.S. Government Printing Office, Washington, D.C.
- U.S. General Accounting Office. (1995). *Managing for Results: The Department of Justice's Initial Efforts to Implement GPRA*, Government Printing Office, Washington, D.C.
- U.S. General Accounting Office. (1995). *Program Evaluation, Improving the Flow of Information to Congress*, U.S. Government Printing Office, Washington, D.C.
- U.S. General Accounting Office. (1995). *Managing for Results: State Experiences Provide Insights for Federal Management Reforms*, U.S. Government Printing Office, Washington, D.C.
- U.S. General Accounting Office. (1996). *Management Reform*. Government Printing Office, GAO/GGD-96-94, Washington, D.C.
- U.S. General Accounting Office. (1996). *Managing for Results: Achieving GPRA's Objectives Requires Strong Congressional Role*, U.S. Government Printing Office, Washington, D.C.

- U.S. General Accounting Office. (1996). *Executive Guide: Effectively Implementing the Government Performance and Results Act*, U.S. Government Printing Office, Washington, D.C.
- U.S. General Accounting Office (1997). "Government Performance Results Act—1997 Government-wide Implementation Will Be Uneven," *report to congressional committees*, June, GAO/DDG-97-109.
- U.S. General Accounting Office. (1997). *Managing for Results: The Statutory Framework for Improving Federal Management and Effectiveness*, U.S. Government Printing Office, Washington, D.C.
- U.S. General Accounting Office. (1997). *Managing for Results: Analytic Challenges in Measuring Performance*, U.S. Government Printing Office, Washington, D.C.
- U.S. General Accounting Office. (1997). *Testimony, Committee on Government Reform and Oversight, House of Representatives, Managing for Results: Enhancing the Usefulness of GPRA Consultations Between the Executive Branch and Congress*. U.S. Government Printing Office, Washington, D.C.
- U.S. General Accounting Office. (1997). *Testimony Before the Committee on Government Reform and Oversight, House of Representatives, Managing for Results: Using GPRA to Assist Congressional and Executive Branch Decisionmaking*, U.S. Government Printing Office, Washington, D.C.
- U.S. General Accounting Office. (1997). *Testimony Before the Subcommittee on Management, Information and Technology, Committee on Government Reform and Oversight, House of Representatives, Managing for Results: Prospects for Effective Implementation of the Government Performance and Results Act*, U.S. Government Printing Office, Washington, D.C.
- U.S. General Accounting Office. (1997). *Managing for Results: Using the Results Act to Address Mission Fragmentation and Program Overlap*, U.S. Government Printing Office, Washington, D.C.
- U.S. General Accounting Office. (1997). *Results Act: Observations on USDA's Draft Strategic Plan*, U.S. Government Printing Office, Washington, D.C.
- U.S. General Accounting Office. (1997). *The Results Act: Observations on Commerce's June 1997 Draft Strategic Plan*, U.S. Government Printing Office, Washington, D.C.
- U.S. General Accounting Office. (1997). *The Results Act: Observations on DoD's Draft Strategic Plan*, U.S. Government Printing Office, Washington, D.C.
- U.S. General Accounting Office. (1997). *The Results Act: Observations on the Department of Education's June 1997 Draft Strategic Plan*, U.S. Government Printing Office, Washington, D.C.
- U.S. General Accounting Office. (1997). *Results Act: Observations on the Department of Energy's Draft Strategic Plan*, U.S. Government Printing Office, Washington, D.C.
- U.S. General Accounting Office. (1997). *The Results Act: Observations on the Department of Health and Human Services' April 1997 Draft Strategic Plan*, U.S. Government Printing Office, Washington, D.C.
- U.S. General Accounting Office. (1997). *Results Act: Observations on the Department of Interior's Draft Strategic Plan*, U.S. Government Printing Office, Washington, D.C.
- U.S. General Accounting Office. (1997). *The Results Act: Observations on the Department of Justice's February 1997 Draft Strategic Plan*, U.S. Government Printing Office, Washington, D.C.
- U.S. General Accounting Office. (1997). *The Results Act: Observations on Department of Labor's June 1997 Draft Strategic Plan*, U.S. Government Printing Office, Washington, D.C.
- U.S. General Accounting Office. (1997). *The Results Act: Observations on the Department of State's May 1997 Draft Strategic Plan*, U.S. Government Printing Office, Washington, D.C.
- U.S. General Accounting Office. (1997). *Results Act: Observations on the Department of Transportation's Draft Strategic Plan*, U.S. Government Printing Office, Washington, D.C.
- U.S. General Accounting Office. (1997). *The Results Act: Observations on the Department of the Treasury's July 1997 Draft Strategic Plan*, U.S. Government Printing Office, Washington, D.C.

- U.S. General Accounting Office. (1997). *The Results Act: Observations on VA's June 1997 Draft Strategic Plan*, U.S. Government Printing Office, Washington, D.C.
- U.S. General Accounting Office. (1997). *The Results Act: Observations on USAID's November 1996 Draft Strategic Plan*, U.S. Government Printing Office, Washington, D.C.
- U.S. General Accounting Office. (1997). *Results Act: Observations on EPA's Draft Strategic Plan*, U.S. Government Printing Office, Washington, D.C.
- U.S. General Accounting Office. (1997). *Results Act: Observations on the Federal Emergency Management Agency's Draft Strategic Plan*, U.S. Government Printing Office, Washington, D.C.
- U.S. General Accounting Office. (1997). *The Results Act: Observations on GSA's April 1997 Draft Strategic Plan*, U.S. Government Printing Office, Washington, D.C.
- U.S. General Accounting Office. (1997). *Results Act: Observations on NASA's May 1997 Draft Strategic Plan*, U.S. Government Printing Office, Washington, D.C.
- U.S. General Accounting Office. (1997). *Results Act: Observations on the National Science Foundation's Draft Strategic Plan*, U.S. Government Printing Office, Washington, D.C.
- U.S. General Accounting Office. (1997). *Results Act: Observations on the Nuclear Regulatory Commission's Draft Strategic Plan*, U.S. Government Printing Office, Washington, D.C.
- U.S. General Accounting Office. (1997). *The Results Act: Observations on the Office of Management and Budget's July 1997 Draft Strategic Plan*, U.S. Government Printing Office, Washington, D.C.
- U.S. General Accounting Office. (1997). *The Results Act: Observations on OPM's May 1997 Draft Strategic Plan*, U.S. Government Printing Office, Washington, D.C.
- U.S. General Accounting Office. (1997). *The Results Act: Observations on the Postal Service's June 1997 Draft Strategic Plan*, U.S. Government Printing Office, Washington, D.C.
- U.S. General Accounting Office. (1997). *The Results Act: Observations on the Draft Strategic Plans of Selected Department of Labor Components*, U.S. Government Printing Office, Washington, D.C.
- U.S. General Accounting Office. (1997). *Results Act: Observations on the Small Business Administration's Draft Strategic Plan*, U.S. Government Printing Office, Washington, D.C.
- U.S. General Accounting Office. (1997). *The Results Act: Observations on the Social Security Administration's June 1997 Draft Strategic Plan*, U.S. Government Printing Office, Washington, D.C.
- U.S. General Accounting Office. (1997). *The Results Act: Observations on USTR's September 1996 Draft Strategic Plan*, U.S. Government Printing Office, Washington, D.C.
- Webb, J. E. (1969). *Space Age Management: The Large-Scale Approach*. McGraw-Hill, New York.
- Weber, M. (1947). *The Theory of Social and Economic Organization*, Free Press, New York.
- Weisbord, M. (1992). *Discovering Common Ground*, Berrett-Koehler, San Francisco.
- Weisbord, M., and Janoff, S. (1995). *Future Search*. Berrett-Koehler, San Francisco.
- Wheelen, T. L. and Hunger, J. D. (1995). *Strategic Management and Business Policy*. Addison-Wesley, Reading, Mass.
- Whetton, D. A. (1977). Toward a Contingency Model for Designing Interorganizational Service Delivery Systems. *Organization and Administrative Science*, 8, pp. 77-96.
- Williamson, O. E. (1975). *Markets and Hierarchies*. Free Press, New York.
- Wilson, J. Q. (1989). *Bureaucracy*, Basic Books, New York. 1989.
- Woodward, J. (1965). *Industrial Organizations*, Oxford University Press, London.